



**MAPFRE, S.A.**

**REPORT ON THE DIRECTORS'  
REMUNERATION POLICY**

**FEBRUARY 2013**

## **REPORT ON THE MAPFRE DIRECTORS'**

### **REMUNERATION POLICY FOR**

#### **FINANCIAL YEAR 2013**

##### 1. **POLICY**

In accordance with the Company's Bylaws, Directors who do not perform executive functions in the Company or in Group companies (External Directors) will receive a fixed sum as their base remuneration, which may be higher for individuals holding office on the Board itself or for those chairing the Steering Committee or Delegated Committees of the Board. This remuneration may be supplemented with other non-cash benefits (life or healthcare insurance, bonuses, etc.) which are generally provided to the Company's personnel. The members of the Board who are members of the Steering Committee, the Executive Committee or the Delegated Committees shall also receive a per diem allowance for attending the meetings.

The members of the Board of Directors who perform executive functions in the Company or in Group companies (Executive Directors) will receive the remuneration allocated to them for the performance of their executive functions (salaries, incentives, whether linked or otherwise to the Company's share price, supplementary bonuses, etc.) in accordance with the established policy for the remuneration of senior executives, according to the provisions of their respective contracts, which may also establish pertinent indemnity clauses in the event they are dismissed from such functions or their relationship with the Company is terminated. They will not receive the remuneration assigned to the External Directors, except for any remuneration assigned to the members of the Steering Committee, the Executive Committee or the Delegated Committees, if it is resolved by the Board of Directors, which thus far has only been resolved so in respect of members of the Steering Committee.

Regardless of the remuneration established in the two preceding paragraphs, all Directors shall be paid for their travel, mobility and other expenses incurred to attend the meetings of the Company or for the performance of their functions.

##### 2. **DIRECTORS' REMUNERATION IN FINANCIAL YEARS 2012 AND 2013**

a) Members of the Board of Directors' and Delegated Committees.

The following table details the remuneration received by the Directors for their work on the Board and Delegated Committees:

<b>NAME</b>	<b>2012 REMUNERATION (€THOUSAND)</b>
HUERTAS MEJIAS, ANTONIO	46.24
TEJERA MONTALVO, ESTEBAN	46.24
RUIZ RISUEÑO, FRANCISCO	137.10
NUÑEZ TOVAR, ANTONIO	46.15
BAEZA GOMEZ, IGNACIO	46.32
BECA BORREGO, RAFAEL	56.93
DE RATO Y FIGAREDO, RODRIGO	14.41
FONTOIRA SURIS, RAFAEL SANTIAGO	55.39
GAYARRE BERMEJO, SANTIAGO	52.68
GOIRIGOLZARRI TELLAECHÉ, JOSE IGNACIO	19.68
HERNANDO DE LARRAMENDI MARTINEZ, LUIS	118.02
HOMET DUPRA, SEBASTIAN	8.37
ITURBE SANZ DE MADRID, LUIS	54.59
JIMENEZ HERRADON, ANDRES	39.61
LAGARES GÓMEZ-ABASCAL, MANUEL	20.02
MANZANO MARTOS, ALBERTO	53.78
MARQUEZ OSORIO, RAFAEL	74.85
MARTINEZ MARTINEZ, JOSE MANUEL	9.96
MARTIN TABERNERO, FRANCISCA	73.38
MIGUEL-ROMERO DE OLANO, ANTONIO	53.19
MIRA CANDEL, FILOMENO	75.35
MORAL SANTIN, JOSE ANTONIO	18.36
PEDRAYES LARRAURI, ESTEBAN	22.73
REBUelta BADIAs, ALFONSO	71.90
SALVA BENNASAR, MATIAS	72.25
VALLEJO VALLEJO, FRANCISCO	119.22

b) External Directors.

The base annual remuneration for External Directors consists of a fixed annual sum as members of the Board of Directors, amounting to €46,308 in 2012 and which is expected to be €47,003 in 2013, representing a 1.5% increase. Said amount is increased by 50% for individuals holding office on the Board itself or for those chairing the Steering Committee or any Delegated Committee, but these increments are not accumulated when a person holds several positions. Life Insurance is also provided so that in the event of death there is an assured capital of €150,253, and they also have certain benefits granted to the Company's personnel, such as Healthcare Insurance.

External Directors who are members of the Steering Committee or Delegated Committees also receive a per diem allowance for attending meetings, which in 2012 amounted to €4,631 for attending the meetings of the Steering Committee and €4,052 for attending other Committees, and it is expected to be €4,700 in 2013 for attending the meetings of the Steering Committee and €4,113 for attending other Committees, representing also a 1.5% increase.

Section a) above contains detailed information per individual of the amounts received by the External Directors.

c) Executive Directors' remuneration as at 31st December 2012

➤ Fixed salary

The Company's executive directors receive the remunerations established in their contracts, which include a fixed salary. In the case of the Executive Directors as at the end of the financial year 2012, this amounted to: the Chairman Mr. Antonio Huertas Mejías, €498,000; in the case of the First Vice-Chairman Mr. Esteban Tejera Montalvo, €408,000, in the case of the Third Vice-Chairman Mr. Antonio Nuñez Tovar, €363,000; in the case of the Fourth Vice-Chairman Mr. Ignacio Baeza Gómez, to €341,000; and in the case of the Member of the Board Mr. Esteban Pedrayes Larrauri, €284,000.

➤ Variable salary

The Company's senior executives have a system of variable incentives, which can amount to 100% of their fixed salary and which is always linked to the Company's results.

The variable remunerations received in 2012 amounted to: Mr. Antonio Huertas Mejías, €293,000; Mr. Esteban Tejera Montalvo, €202,000; Mr.

Antonio Núñez Tovar, €259,000; Mr. Ignacio Baeza Gómez, €285,000; and Mr. Esteban Pedrayes Larrauri, €269,000.

In addition, there is an extraordinary variable bonus linked to the achievement of extraordinary objectives, which amounted to: Mr. Antonio Huertas Mejías, €120,000; Mr. Esteban Tejera Montalvo, €100,000; Mr. Antonio Núñez Tovar, €100,000; Mr. Ignacio Baeza Gómez, €100,000; and Mr. Esteban Pedrayes Larrauri, €70,000.

➤ Incentives linked to share price

The Extraordinary General Meeting held on 4th July 2007 approved an Incentive Plan for Group executives linked to the share's market price, details of which are as follows

- Formula: Each participant is conferred the right to receive in cash the amount resulting from multiplying the theoretical number of MAPFRE S.A. shares assigned, by the difference between the simple arithmetical mean of the closing share price during the 30 stock market trading days prior to the communication of the exercise of the right, and the simple arithmetic mean of the closing share price corresponding to the 30 trading days immediately prior to the inclusion in the incentive plan. Notwithstanding, for the original group of participants this reference has been replaced by the closing share price of 31st December 2006, which was €3.42 per share.
- Exercise of right: The right may be exercised in the amount of 30% maximum during the month of January of the fourth year, in the amount of 30% maximum during the month of January of the seventh year, with the remainder during the month of January of the tenth year. All the rights conferred must be exercised at the latest by the last day of the aforementioned third period.

The number of shares used as a reference in the calculation for remuneration purposes amounted to 2,192,982 in 2012, with an exercise price of €3.42 per share. At year end the share price closed below the aforementioned exercise price.

This Plan received a favourable opinion from the Appointments and Remuneration Committee on 23rd May 2007 and by the Company's Board of Directors held on 1st June 2007, and was extensively disclosed via the websites of the Company and of the Spanish Securities and Exchange Commission.

The members of the Board of Directors are not included, in their capacity as such, within the group of beneficiaries thereof. However, some members, in

addition to being Directors, are also Senior Executives of MAPFRE, S.A., for which reason, provided they also meet the other conditions for participating, are included among the beneficiaries of the Plan.

➤ Retirement plans and other benefits

The Executive Directors have life and disability insurance and other benefits generally granted to the Company's personnel. In addition, they also benefit from certain pension supplements in the event of retirement, externalised by means of a life assurance policy, which collectively amounted to €70,000 for life-protection premiums and €1,833,000 for life-retirement premiums, all of which falls under the remuneration policy established by the Group for its Senior Executives, whether or not they are Directors.

Executive Directors do not receive the fixed remunerations established for External Directors, with the exception of per diem allowances for attending the Steering Committee meetings, details of which are included in the aforementioned section a).

For 2013 increases of 1.83% are anticipated (1.5% consolidated and 0.33% non-consolidated), except for those directors that have taken on new positions, to which a higher percentage has been applied to adapt their remuneration to levels in line with their new responsibilities, and also with the possibility of any other increases if they attain higher-than-expected targets, which will be analysed by the Appointments and Remuneration Committee.

### 3. SIGNIFICANT CHANGES IN THE REMUNERATION POLICY

During the financial year 2013 no significant changes are expected to be made to the Company's remuneration policy.

### 4. TERMS AND CONDITIONS OF THE CONTRACTS

The senior management contracts of the Executive Directors stipulate that their term of office will end on 1st January following the date on which the executive turns 60, with the exception of annual extensions decided upon by the Company until such date on which the executive turns 65 at the latest.

There are no clauses relating to contractual bonuses. Any severance pay at the Company's discretion, unless there are grounds to justify fair dismissal, shall be subject to the provisions of section 56.1. a) of the Workers' Statute, considering that in a majority of the cases there is a prior labour relationship. The prior notice term is three months.

5. APPOINTMENTS AND REMUNERATION COMMITTEE

The Appointments and Remuneration Committee fully supports the remuneration policy described herein and, as the case may be, it proposes or reports on each and every resolution resulting from said policy to the Board of Directors.

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This report on the remuneration policy for the Company's Directors was passed by the Board of Directors of MAPFRE, S.A. at its meeting held on 6th February 2013, following a favourable report by the Company's Appointments and Remuneration Committee issued at a meeting held on 23rd February 2013.